



**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 10**

1200 Sixth Avenue, Suite 900
Seattle, Washington 98101-3140

JAN 20 2010

Reply to
Attn of: OWW-130

Ms. Susan Childs
Regulatory Affairs Manager, Alaska
Shell Exploration & Production Company
3601 C Street, Suite 1000
Anchorage, Alaska 99503

Re: Coverage for Shell Exploration & Production Company under the National Pollutant Discharge Elimination System (NPDES) General Permit for Oil and Gas Exploration Activities on the Outer Continental Shelf and Contiguous State Waters for Discharges into the Chukchi Sea, Alaska (AKG-28-0004)

Dear Ms. Childs:

On May 22, 2009, the U.S. Environmental Protection Agency received five Notices of Intent (NOIs) from Shell Exploration & Production Company (Shell) for authorization to discharge into the Chukchi Sea. Specifically, the NOIs requested permit coverage under the National Pollutant Discharge Elimination System (NPDES) General Permit, AKG-28-0000 (Arctic GP), for wastewater discharges from Shell's proposed exploration activities planned for the 2010 Outer Continental Shelf (OCS) drilling season with the drillship *Frontier Discoverer*.

On November 5, 2009, EPA requested additional information from Shell to determine whether the requested discharges could be covered under the Arctic GP. EPA received the supplemental information on December 1, 2009.

Pursuant to Part I.D.3 of the Arctic GP, Shell is authorized the following discharges into the Chukchi Sea from the five proposed drill sites summarized in Table 1, below, subject to the terms and conditions of the Arctic GP:

<u>Discharge Number</u>	<u>Discharge Description</u>
001	Drilling Fluids and Drilling Cuttings
002	Deck Drainage
003	Sanitary Wastes
004	Domestic Wastes
005	Desalination Unit Wastes
006	Blowout Preventer Fluid
009	Non-contact Cooling Water
010	Uncontaminated Ballast Water
011	Bilge Water
012	Excess Cement Slurry
013	Muds, Cuttings, Cement at Seafloor

Table 1 – Proposed Drill Sites (Chukchi Sea)

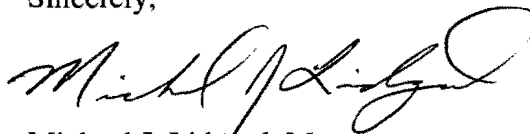
Prospect	Well	Area	Block	Lease No.
Burger	C	Posey	6764	OCS-Y-2280
Burger	F	Posey	6714	OCS-Y-2267
Burger	J	Posey	6912	OCS-Y-2321
Crackerjack	C	Karo	6864	OCS-Y-2111
SW Shoenbill	C	Karo	7007	OCS-Y-2142

Please note the effluent limitations and monitoring requirements in Part II. and the monitoring, recording and reporting requirements in Part III of the Arctic GP. Discharge Monitoring Reports must be submitted monthly by the 10th day of the following month.

The permit number assigned to this operation is AKG-28-0004. Please use this number in all future correspondence and reports. A copy of the Arctic GP is enclosed and is also available on EPA's webpage at <http://epa.gov/r10earth/waterpermits.htm> under general permits. Facilities discharging under the authority of the Arctic GP must keep a copy of the permit and this coverage letter at the facility where the discharges occur, or retain a copy at the nearest administrative or field office managing the operation.

If you have any questions regarding this coverage letter or the Arctic GP, please do not hesitate to contact Hanh Shaw of my staff at shaw.hanh@epa.gov or (206) 553-0171.

Sincerely,



Michael J. Lidgard, Manager
NPDES Permits Unit

Enclosure